



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES

July 1, 2015

Honorable Dan Wuori
Chief Program Officer
South Carolina First Steps to School Readiness
1300 Sumter Street
Concord Building, Suite 100
Columbia, South Carolina 29201-3340

Dear Dr. Wuori:

We have conditionally approved South Carolina's application for Federal fiscal year (FFY) 2015 funds under Part C of the Individuals with Disabilities Education Act (IDEA Part C). Our conditional approval is based on our review of the IDEA Part C application, submitted by South Carolina First Steps to School Readiness (FSSR) to the U.S. Department of Education (Department), Office of Special Education Programs (OSEP), on April 22, 2015 and June 10, 2015.

Our conditional approval of the State's FFY 2015 IDEA Part C grant is also based on the State's policies, procedures, methods, descriptions, assurances, and certifications identified in Section II.A, II.B, and II.C, which is incorporated by reference to this grant award letter as Enclosure A.

Our conditional approval is also based on the State's certification in Section II.D of its FFY 2015 IDEA Part C application, in which section the State certifies under 34 CFR §76.104 that it will:

1. Operate throughout the period of the FFY 2015 grant award consistently with the requirements of the IDEA as found in 20 U.S.C. §§1431 through 1443 and the final regulations in 34 CFR Part 303 (as published on September 28, 2011); and
2. Make such changes to existing policies, procedures, methods, and descriptions as are necessary to bring those policies, procedures, methods and descriptions into compliance with the requirements of IDEA Part C, as soon as possible, and not later than either the date indicated by the State in Section II.A or B of its application or June 30, 2016, whichever is earlier.

South Carolina's IDEA Part C FFY 2015 grant award is being released subject to Special Conditions to ensure that the State corrects findings of noncompliance, as required by IDEA section 635(a)(10)(A) and 34 CFR §§303.120 and 303.700(e). The Special Conditions are set forth in Enclosure B, which is incorporated by this reference into this grant award letter. The Special Conditions are imposed pursuant to the Department's authority in IDEA sections 616(g) and 642 and 2 CFR §§ 200.207 and 3474.10. By accepting this grant award, South Carolina expressly agrees to comply with the Special Conditions identified in Enclosure B throughout the period FSSR uses its IDEA Part C FFY 2015 funds. OSEP's 2015 IDEA Part C determination for South Carolina is needs intervention for five consecutive years and, as a result, South Carolina is required to submit a corrective action plan (CAP) by August 3, 2015. These Special Conditions require the State to submit: (1) by August 3, 2015, a CAP to address the correction

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of noncompliance; and (2) with the FFY 2014 Annual Performance Report (APR), due February 1, 2016, the correction data requested in the enclosed Special Conditions.

As part of your State's application for FFY 2015, your State has provided a certification, under Section II.D of its FFY 2015 application and pursuant to 34 CFR §76.104, that it will comply with all applicable Federal statutes and regulations in effect during the FFY 2015 grant period.

Enclosed is the State's FFY 2015 grant award for funds currently available under the Consolidated and Further Continuing Appropriations Act, 2015, P.L. 113-235 for the IDEA Part C program. These funds are available for obligation by States from the effective date of the grant award, July 1, 2015 through September 30, 2017 in accordance with 34 CFR §76.709.

Please note that effective with this IDEA Part C FFY 2015 grant award, IDEA Part C funds are subject to the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, codified in 2 CFR Part 200 and commonly referred to as the Uniform Guidance. The Uniform Guidance provisions in 2 CFR Part 200 replace provisions previously found in the Education Department General Administrative Regulations or EDGAR in 34 CFR Parts 74 and 80 and prior OMB Circulars A-87 and A-133. Under 2 CFR §200.308(e), a State must obtain the prior approval of OSEP, by submitting a revised Section III (Use of Funds), for a transfer of funds among direct cost categories, programs, or activities that exceed 10% of the total grant award or are expected to exceed 10% of that total, and the Federal share in the grant exceeds the Simplified Acquisition Threshold (currently set at \$150,000). This replaces a similar provision previously found in 34 CFR §80.30(c)(1). Please review the Department's technical assistance resources on the Uniform Guidance at <http://www2.ed.gov/policy/fund/guid/uniform-guidance/index.html>.

Section IV.B of the IDEA Part C FFY 2015 application requested updated information about how your lead agency implements the restricted indirect cost rate requirements in 34 CFR §303.225(c). Your State indicated in Section IV.B that FSSR has a predetermined restricted indirect cost rate agreement that has been approved by FSSR's cognizant Federal agency and is effective through June 30, 2016. This letter confirms that, under 2 CFR §200.210(a)(15) (effective July 1, 2015) and by accepting this IDEA Part C FFY 2015 grant, you State will apply this predetermined rate of 3% of the modified total direct cost until amended by your cognizant Federal agency. If this restricted indirect cost rate agreement is revised during the period your State uses its IDEA Part C FFY 2015 funds, you must provide a copy of the revised restricted indirect cost rate agreement to our Indirect Cost Unit and to your OSEP State Contact once it is approved by FSSR's cognizant Federal agency. The Department will respond under separate cover to the State's request for OSEP's approval to charge rent as a direct cost to the IDEA Part C FFY 2015 grant award under Section IV.B of the FFY 2015 application.

Section 604 of the IDEA provides that "[a] State shall not be immune under the 11th amendment to the Constitution of the United States from suit in Federal court for a violation of this [Act]." Section 606 provides that each recipient of assistance under IDEA make positive efforts to employ and advance in employment qualified individuals with disabilities in programs assisted under the IDEA. Therefore, by accepting this grant, your State is expressly agreeing as a condition of IDEA funding to a waiver of Eleventh Amendment immunity and to ensuring that positive efforts are made to employ and advance employment of qualified individuals with disabilities in programs assisted under the IDEA.

The enclosed grant award of FFY 2015 funds is made with the continued understanding that this Office may, from time to time, require clarification of information within your application, if necessary. These inquiries may be necessary to allow us to appropriately carry out our administrative responsibilities related to IDEA Part C. If your State adopts a new or revised IDEA Part C policy or procedure that is required under Part C of the IDEA or under the final regulations in 34 CFR Part 303, it must subject those policies and procedures to the public participation requirements in 34 CFR §303.208 and, for those policies and procedures specifically referenced in 34 CFR §303.101(c), receive OSEP approval prior to their implementation.

As a reminder, all prime recipients of IDEA Part C funds, must report subaward information as required by the Federal Funding Accountability and Transparency Act of 2006 (FFATA), as amended in 2008. First-tier subaward information must be reported by the end of the following month from when the award was made or obligated. FFATA guidance is found at <http://www2.ed.gov/policy/gen/leg/recovery/rms-web-conferences.html>. Please contact your State's Fiscal Accountability Facilitator if you have further questions.

We appreciate your ongoing commitment to the provision of quality early intervention services to infants and toddlers with disabilities and their families.

Sincerely,

A handwritten signature in black ink, appearing to read "Melody Musgrove". The signature is fluid and cursive, with a long horizontal line extending to the right.

Melody Musgrove, Ed.D.
Director
Office of Special Education Programs

Enclosure

Enclosure A

Enclosure B

cc: Part C Coordinator